

## DEPARTMENT OF FINANCE BILL ANALYSIS

**AMENDMENT DATE:** 03/22/2012

**POSITION:** Oppose

**BILL NUMBER:** AB 1657

**AUTHOR:** Wieckowski, Bob

### **BILL SUMMARY:** Traffic offenses: additional penalty: spinal cord injury research.

This bill would impose a \$1 penalty assessment on every conviction for a state or local traffic violation, except for parking offenses, to be deposited with county treasurers who would transfer the moneys to the State Treasurer, to be appropriated by the Legislature for allocation to the Roman Reed Spinal Cord Injury Research Penalty Account. The bill would allow the University of California (UC) to create this account within the Roman Reed Spinal Cord Injury Research Fund, which UC administers to accept public and private funds for spinal cord injury research and grant programs. The bill would allow county treasurers to withhold a sufficient amount of money from the penalty collections to reimburse the county and courts for actual, reasonable, and necessary costs, before transferring the funds to the State Treasurer. If such moneys are withheld by a county treasurer, an accounting report detailing these costs may be sent to UC, but the bill would not mandate this reporting requirement.

### **FISCAL SUMMARY**

The Judicial Council estimated that the addition of a new \$1 penalty for about 400 moving traffic violations would require one-time programming costs in California courts, estimated at \$150,000 to \$300,000 statewide. Based on the number of traffic violations that occurred in 2010-11, the Department of Finance (Finance) estimates that the additional \$1 penalty would generate about \$5.8 million annually, \$2.9 million in the second half of fiscal year 2012-13. If the counties choose to withhold the entire amount of their administrative costs before transferring the funds to the State Treasurer, UC would receive about \$2.6 million to \$2.8 million in new funding in 2012-13 to administer the Roman Reed Spinal Cord Injury Research Program, with ongoing annual revenue of \$5.8 million.

The State Treasurer's Office has estimated that it would need one new position to handle the additional workload to implement the bill, at an annual cost of approximately \$94,000.

The UC allocated \$1.2 million of its state General Fund for the Roman Reed Spinal Cord Injury Research Program in 2010-11, and awarded \$15.1 million in state funds for research grants from 2000 through 2010. Due to reduced state funding to UC in recent years, however, UC has not allocated any of its General Fund appropriation to support program activities since 2010. In addition to state funding, UC received over \$20 million in private donations to support the Roman Reed Program from 2005 to 2010. The research grants that have been funded through the program have been leveraged to provide almost \$64 million in additional grant funding, from federal and other grant sources. The bill's intent is to provide a new source of state funds to support the program.

### **COMMENTS**

Finance is opposed to this bill for the following reasons:

- The bill is premature. Penal Code section 1463.02 requires the Judicial Council to establish a task force to evaluate and explore means to streamline the existing structure for imposing and distributing criminal and traffic fines and fees in California. In a June 30, 2011, initial Court-Ordered Debt Task

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Department Deputy Director			Date
Governor's Office:	By:	Date:	Position Approved _____ Position Disapproved _____
BILL ANALYSIS			Form DF-43 (Rev 03/95 Buff)

**BILL ANALYSIS--(CONTINUED)****Form DF-43****AUTHOR****AMENDMENT DATE****BILL NUMBER**

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AB 1657

**COMMENTS** (continued)

Force Report, the Judicial Council provided a preliminary recommendation that the task force should consider a reprioritization of revenue beneficiaries after an in-depth analysis and may make recommendations to the Legislature as necessary. The task force expects to complete its final report with recommendations within the next two to three years. Until the final recommendations are made, it seems imprudent to impose this new traffic penalty at this time.

- Although UC no longer provides any of its state General Fund appropriation to support the Roman Reed program, UC could choose to target some of these funds for this program if it considers the program's activities to be a high priority. Also, researchers who have received Roman Reed Program research grants in the past could continue to seek outside grants to bring in new funds to support spinal cord injury research, concentrating particularly on grants awarded by federal health organizations and the California Institute for Regenerative Medicine (CIRM). For example, two researchers who received Roman Reed award grants successfully leveraged their projects to receive \$1.9 million in grants from CIRM for stem cell research.

	SO	(Fiscal Impact by Fiscal Year)						
Code/Department	LA	(Dollars in Thousands)						
Agency or Revenue	CO	PROP						Fund
Type	RV	98	FC	2012-2013	FC	2013-2014	FC	2014-2015 Code
0950/St Treasurer	SO	No	C	47	C	94	C	94 0001
0250/Jud Branch	LA	No	U	150-300	A	--	A	-- 0932
1641/Traffic Violt	RV	No	U	2,922	U	5,844	U	5,844 3138

<u>Fund Code</u>	<u>Title</u>
0001	General Fund
0932	Trial Court Trust Fund
3138	Immediate and Critical Needs Acct, SCFCF